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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

## INFORMATION REPORT

CD NO.

COUNTRY

USSR/Lithuania/Latvia/Estonia

DATE DISTR.

. 13 Aug 1952

**SUBJECT** 

Soviet Exploitation of the Baltic Countries

NO. OF PAGES 3

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SUPPLEMENT TO REPORT NO.

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- 1. "Baltic complaints of Soviet oppression recently submitted to the UN are tragically confirmed by the USSR's own publications. Analysis of the budgets and plan reports of the three Baltic republics and of such copies of their Communist press as have become available abroad, shows that the Balts are suffering a harsher fate than the Soviets themselves. The twenty years of national independence they enjoyed in the inter-war period seem to have enhanced their martyrdom. Since the re-incorporation of the Baltic countries, the Bolsheviks who resent the contrast between the monotonous poverty of the present-day Soviet Union and the variegated pattern of the more developed countries on their periphery, have tried to wipe out every vestige of Western influence and to assimilate the Balts by telescoping thirty years of Communist tyranny into three.
- 2. "The three Baltic countries, Lithuania, Latvia, and Estonia, together nearly the size of Missouri with nearly 2,000,000 more inhabitants, are being tyrannized politically, economically, and financially. Bolshevik political tyranny, according to Baltic spokesmen abroad, has led to the deportation of at least 1,000,000 people into the interior of the Soviet empire. On 8 Apr 52, by decree of the Supreme Soviet in Moscow, Estonia and Latvia were subdivided into provinces in accordance with the Soviet model. Each of these provinces now has its own bureaucratic party and police organization, which adds some 10,000 more parasitical officials to the ranks of an already oversized administration. Russian names are more and more in evidence. The majority of the Baltic members of the governments are Soviet-reared. Now, according to the Moscow press, dictionaries are being re-written with a view to expanding the large influence of Russian on the three national languages.

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- 3. "Economically the once well-to-do Baltic peasants seem to be worse off than their Soviet neighbors. On 6 Jun 52 Lithuania's rural population, more than three quarters of the total, reported to 'Dear Comrade Stalin' in 1951 year the cattle herd of the collective farms increased by 61.9% over 1950. Since this is between four and five times the normal growth, most of the private cattle of the kolkhozniks, one cow per household, must have been collectivized. In other parts of the USSR where a similar process of expropriation is going on, the cattle herd of the collectives usually increased by less than 20%.
- 4. "Latvia's plan report for 1951 boasted that the peasants had delivered two and a half times more wheat to the state than they sold in the market prior to collectivization; in other words, that the countryside today consumes much less good bread than in former times. The fact that wheat production has been expanded at the expense of other cultures cannot have had so great an influence.
- share of a member of one of the most 'advanced' collective farms in the money income of 'his kolkhoze can be computed at rubles 400, or about six per cent of the annual earnings of the average Soviet worker. From the kolkhoze harvest each peasant further received approximately 240 lbs of rye and the same quantity of potatoes. Then there is the small additional income from the produce of the kolkhoznik's small one-acre homestead economy, part of which has to be sold in the market to buy clothing, footwear, and other indispensable manufactured goods, while the major part goes for taxes. Calculated on this basis, the average Estonian peasant's gross income is but a fraction of what it was before World: War FI. The the USSR, on the other hand, Bolshevik No. 10 calculated recently that the average peasant's real income was 30% above 1940.
- 6. "Industrial workers are not much better off. In 1951 at unskilled worker in Lithuania is reported to have earned rubles 300 a month which is less than half of what most students of Soviet affairs believe to be the Soviet average wage. Even a skilled worker's earnings were below the overall average. In Latvia and Estonia too workers are reported to earn less than in the Soviet Union.
- "While living standards in towns and country have declined sharply, official plan reports for 1951 register a large increase in industrial production for each of the three republics. More specific data shows that the output of the Baltic industries, once renowned for their accuracy, reflects the miserable living conditions of the population. Thus we read in Raahva Haal that Vladimir Stolbov, Estonia's Minister of Light Industry, complained earlier in 1952 that the country's largest textile works turned out water of week poor quality that they were useless and entailed losses of many millions of rubles. Minister of Trade, Rudolf Vester, publicly displayed socks and stockings of unequal size and one pair of rubbers, one rubber with a broad, the other one with a narrow heel. Minister of Local Industries, Nikolai Krylov, stated that production of essential building materials was far off schedule and, apparently, below 1950. In order to make a good showing on paper, industrial cooperatives doubled the price of their products and then declared that they had doubled their production. In Latvia the leading Communist newspaper, Cina, reported that in Riga, where three quarters of the country's industries are concentrated, the principal shipyard and the largest electrotechnical factory were seriously behind quota. Conditions were especially bad in the food industry. Slaughter houses, for instance, supplied less than half the meat they were supposed to turn out. In Lithuania, where the Vilna newspaper Tiesa published a detailed report on plan fulfillment during the first quarter of 1952, ... butter production was 123% off) plant ... Ear Rome items we will buckets for farms, the plan was fulfilled only to 1%. While this seems to be an exceptionally poor showing, it is characteristic of the unevenness with which programs are carried out.
- 8. "This travesty of a planned industrial production at wages far below the overall Soviet average yields substantial profits for Moscow. The full measure of the financial exploitation of the Baltic countries is revealed by an analysis of the Lithuanian budget which balanced at rubles 1,471,000,000. The country's total tax receipts, including

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profits from state industries, are to yield rubles 3,918,000,000. The balance of roughly rubles 2,500,000,000 represents the share of the central government of the USSR, of which only one-third is returned to Lithuania. In the case of the other two Baltic countries, the contribution of the USSR to the republican budget is much smaller. Yet the USSR always receives the lion's share of all taxes and profits. Soviet financial experts maintain that a large part of these amounts is reinvested by the various all-Union ministries in industrial enterprises in the various republics and that the balance represents a contribution to general services. These intricacies of the Soviet budget may never be fully revealed to the world as long as the present regime is in power. It is a fact, however, that the real income of the workers and peasants in the Baltic lands has declined, whereas according to data released by the Soviets themselves, the real income of the workers in the USSR has increased."

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